



General Assembly

**Amendment**

June 30 Special Session, 2003

LCO No. 8113

\*HB0680608113SD0\*

Offered by:

SEN. HARP, 10<sup>th</sup> Dist.

SEN. DAILY, 33<sup>rd</sup> Dist.

To: House Bill No. 6806

File No.

Cal. No.

**"AN ACT CONCERNING GENERAL BUDGET AND REVENUE  
IMPLEMENTATION PROVISIONS."**

1 In line 341, strike "local or regional boards of education" and insert  
2 "towns, regional boards of education or regional educational service  
3 centers" in lieu thereof

4 Strike section 12 in its entirety and insert the following in lieu  
5 thereof:

6 "Sec. 12. Section 10-66j of the general statutes is amended by adding  
7 subsection (e) as follows (*Effective from passage*):

8 (NEW) (e) Notwithstanding the provisions of this section, for the  
9 fiscal years ending June 30, 2004, and June 30, 2005, the amount of  
10 grants payable to regional educational service centers, shall be reduced  
11 proportionately if the total of such grants in such year exceeds the  
12 amount appropriated for such grants for such year."

13 In line 635, after "statutes", insert ", as amended by sections 1 and 10  
14 of public act 03-76,"

15 In lines 636 and 637, strike "(c)" and insert "(d)" in lieu thereof

16 Strike sections 22 and 23 in their entirety and insert the following in  
17 lieu thereof:

18 "Sec. 22. Subdivision (28) of section 10-262f of the general statutes  
19 is repealed and the following is substituted in lieu thereof (*Effective*  
20 *from passage*):

21 (28) "Base revenue" for the fiscal year ending June 30, 1995, means  
22 the sum of the grant entitlements for the fiscal year ending June 30,  
23 1995, of a town pursuant to section 10-262h, as amended by this act,  
24 and subsection (a) of section 10-76g, including its proportional share,  
25 based on enrollment, of the revenue paid pursuant to section 10-76g, to  
26 the regional district of which the town is a member, and for each fiscal  
27 year thereafter means the amount of each town's entitlement pursuant  
28 to section 10-262h, as amended by this act, minus its density  
29 supplement, as determined pursuant to subdivision (6) of subsection  
30 (a) of section 10-262h, as amended by this act, except that for the fiscal  
31 year ending June 30, 2003, each town's entitlement shall be determined  
32 without using the adjustments made to the previous year's grant  
33 pursuant to subparagraph (M) of subdivision (6) of subsection (a) of  
34 section 10-262h, as amended by this act, except that for the fiscal year  
35 ending June 30, 2004, each town's entitlement shall be determined  
36 without using the adjustments made to the previous year's grant  
37 pursuant to subparagraph (N) of subdivision (6) of subsection (a) of  
38 section 10-262h, as amended by this act.

39 Sec. 23. Subdivision (6) of subsection (a) of section 10-262h of the  
40 general statutes is repealed and the following is substituted in lieu  
41 thereof (*Effective from passage*):

42 (6) For the fiscal year ending June 30, 1996, and each fiscal year  
43 thereafter, a grant in an amount equal to the amount of its target aid as

44 described in subdivision (32) of section 10-262f, except that such  
45 amount shall be capped in accordance with the following: (A) For the  
46 fiscal years ending June 30, 1996, June 30, 1997, June 30, 1998, and June  
47 30, 1999, for each town, the maximum percentage increase over its  
48 previous year's base revenue shall be the product of five per cent and  
49 the ratio of the wealth of the town ranked one hundred fifty-third  
50 when all towns are ranked in descending order to each town's wealth,  
51 provided no town shall receive an increase greater than five per cent.  
52 (B) For the fiscal years ending June 30, 2000, June 30, 2001, June 30,  
53 2002, [and] June 30, 2003, June 30, 2004, and June 30, 2005, for each  
54 town, the maximum percentage increase over its previous year's base  
55 revenue shall be the product of six per cent and the ratio of the wealth  
56 of the town ranked one hundred fifty-third when all towns are ranked  
57 in descending order to each town's wealth, provided no town shall  
58 receive an increase greater than six per cent. (C) No such cap shall be  
59 used for the fiscal year ending June 30, [2004] 2006, or any fiscal year  
60 thereafter. (D) For the fiscal year ending June 30, 1996, for each town,  
61 the maximum percentage reduction from its previous year's base  
62 revenue shall be equal to the product of three per cent and the ratio of  
63 each town's wealth to the wealth of the town ranked seventeenth when  
64 all towns are ranked in descending order, provided no town's grant  
65 shall be reduced by more than three per cent. (E) For the fiscal years  
66 ending June 30, 1997, June 30, 1998, and June 30, 1999, for each town,  
67 the maximum percentage reduction from its previous year's base  
68 revenue shall be equal to the product of five per cent and the ratio of  
69 each town's wealth to the wealth of the town ranked seventeenth when  
70 all towns are ranked in descending order, provided no town's grant  
71 shall be reduced by more than five per cent. (F) For the fiscal year  
72 ending June 30, 2000, and each fiscal year thereafter, no town's grant  
73 shall be less than the grant it received for the prior fiscal year. (G) [In]  
74 For each fiscal year through the fiscal year ending June 30, 2003, in  
75 addition to the amount determined pursuant to this subdivision, a  
76 town shall be eligible for a density supplement if the density of the  
77 town is greater than the average density of all towns in the state. The  
78 density supplement shall be determined by multiplying the density aid

79 ratio of the town by the foundation level and the town's total need  
80 students for the prior fiscal year provided, for the fiscal year ending  
81 June 30, 2000, and each fiscal year thereafter, no town's density  
82 supplement shall be less than the density supplement such town  
83 received for the prior fiscal year. (H) For the fiscal year ending June 30,  
84 1997, the grant determined in accordance with this subdivision for a  
85 town ranked one to forty-two when all towns are ranked in  
86 descending order according to town wealth shall be further reduced by  
87 one and two-hundredths of a per cent and such grant for all other  
88 towns shall be further reduced by fifty-six-hundredths of a per cent. (I)  
89 For the fiscal year ending June 30, 1998, and each fiscal year thereafter,  
90 no town whose school district is a priority school district shall receive a  
91 grant pursuant to this subdivision in an amount that is less than the  
92 amount received under such grant for the prior fiscal year. (J) For the  
93 fiscal year ending June 30, 2000, and each fiscal year [thereafter]  
94 through the fiscal year ending June 30, 2003, no town whose school  
95 district is a priority school district shall receive a grant pursuant to this  
96 subdivision that provides an amount of aid per resident student that is  
97 less than the amount of aid per resident student provided under the  
98 grant received for the prior fiscal year. (K) For the fiscal year ending  
99 June 30, 1998, and each fiscal year thereafter, no town whose school  
100 district is a priority school district shall receive a grant pursuant to this  
101 subdivision in an amount that is less than seventy per cent of the sum  
102 of (i) the product of a town's base aid ratio, the foundation level and  
103 the town's total need students for the fiscal year prior to the year in  
104 which the grant is to be paid, (ii) the product of a town's supplemental  
105 aid ratio, the foundation level and the sum of the portion of its total  
106 need students count described in subparagraphs (B) and (C) of  
107 subdivision (25) of section 10-262f for the fiscal year prior to the fiscal  
108 year in which the grant is to be paid, and the adjustments to its  
109 resident student count described in subdivision (22) of said section 10-  
110 262f relative to length of school year and summer school sessions, and  
111 (iii) the town's regional bonus. (L) For the fiscal year ending June 30,  
112 2000, and each fiscal year thereafter, no town whose school district is a  
113 transitional school district shall receive a grant pursuant to this

114 subdivision in an amount that is less than forty per cent of the sum of  
115 (i) the product of a town's base aid ratio, the foundation level and the  
116 town's total need students for the fiscal year prior to the fiscal year in  
117 which the grant is to be paid, (ii) the product of a town's supplemental  
118 aid ratio, the foundation level and the sum of the portion of its total  
119 need students count described in subparagraphs (B) and (C) of  
120 subdivision (25) of section 10-262f for the fiscal year prior to the fiscal  
121 year in which the grant is to be paid, and the adjustments to its  
122 resident student count described in subdivision (22) of said section  
123 10-262f relative to length of school year and summer school sessions,  
124 and (iii) the town's regional bonus. (M) For the fiscal year ending June  
125 30, 2002, (i) each town whose target aid is capped pursuant to this  
126 subdivision shall receive a grant that includes a pro rata share of  
127 twenty-five million dollars based on the difference between its target  
128 aid and the amount of the grant determined with the cap, and (ii) all  
129 towns shall receive a grant that is at least 1.68 per cent greater than the  
130 grant they received for the fiscal year ending June 30, 2001. (N) For the  
131 fiscal year ending June 30, 2003, (i) each town whose target aid is  
132 capped pursuant to this subdivision shall receive a pro rata share of  
133 fifty million dollars based on the difference between its target aid and  
134 the amount of the grant determined with the cap, and (ii) each town  
135 shall receive a grant that is at least 1.2 per cent more than its base  
136 revenue, as defined in subdivision (28) of section 10-262f, as amended  
137 by this act. (O) For the fiscal year ending June 30, 2003, each town shall  
138 receive a grant that is at least equal to the grant it received for the prior  
139 fiscal year. (P) For the fiscal year ending June 30, 2004, (i) each town  
140 whose target aid is capped pursuant to this subdivision shall receive a  
141 grant that includes a pro rata share of fifty million dollars based on the  
142 difference between its target aid and the amount of the grant  
143 determined with the cap, (ii) each town's grant including the cap  
144 supplement shall be reduced by three per cent, (iii) the towns of  
145 Bridgeport, Hartford and New Haven shall each receive a grant that is  
146 equal to the grant such towns received for the prior fiscal year plus one  
147 million dollars, (iv) those towns described in clause (i) of this  
148 subparagraph shall receive a grant that includes a pro rata share of

149 three million dollars based on the same pro rata basis as used in said  
150 clause (i), (v) towns whose school districts are priority school districts  
151 pursuant to subsection (a) of section 10-266p or transitional school  
152 districts pursuant to section 10-263c or who are eligible for grants  
153 under section 10-276a or 10-263d for the fiscal years ending June 30,  
154 2002, to June 30, 2004, inclusive shall receive grants that are at least  
155 equal to the grants they received for the prior fiscal year, (vi) towns not  
156 receiving funds under clause (iii) of this subparagraph shall receive a  
157 pro rata share of any remaining funds based on their grant determined  
158 under this subparagraph. (Q) For the fiscal year ending June 30, 2005,  
159 each town shall receive a grant equal to the grant it received for the  
160 prior fiscal year."

161 In line 1066, strike "replacement"

162 Strike section 37 in its entirety and renumber the remaining sections  
163 and internal references accordingly

164 Strike section 53 in its entirety and insert the following in lieu  
165 thereof:

166 "Sec. 53. Subparagraph (A) of subdivision (72) of section 12-81 of the  
167 general statutes is repealed and the following is substituted in lieu  
168 thereof (*Effective from passage and applicable to assessment years*  
169 *commencing on or after October 1, 2002*):

170 (72) (A) [New] Effective for assessment years commencing on or  
171 after October 1, 2002, new machinery and equipment, as defined  
172 [herein] in this subdivision, acquired after October 1, 1990, and newly-  
173 acquired machinery and equipment, as defined [herein] in this  
174 subdivision, acquired on or after July 1, 1992, by the person claiming  
175 exemption under this subdivision, provided this exemption shall only  
176 be applicable in the five full assessment years following the assessment  
177 year in which such machinery or equipment is acquired, subject to the  
178 provisions of subparagraph (B) of this subdivision. Machinery and  
179 equipment acquired on or after July 1, 1996, and used in connection  
180 with biotechnology shall qualify for the exemption under this

181 subsection. For the purposes of this subdivision: (i) "Machinery" and  
182 "equipment" mean tangible personal property which is installed in a  
183 manufacturing facility, either five-year property or seven-year  
184 property, as those terms are defined in Section 168(e) of the Internal  
185 Revenue Code of 1986, or any subsequent corresponding internal  
186 revenue code of the United States, as from time to time amended, and  
187 the predominant use of which is for manufacturing, processing or  
188 fabricating; for research and development, including experimental or  
189 laboratory research and development, design or engineering directly  
190 related to manufacturing; for the significant servicing, overhauling or  
191 rebuilding of machinery and equipment for industrial use or the  
192 significant overhauling or rebuilding of other products on a factory  
193 basis; for measuring or testing or for metal finishing; or used in the  
194 production of motion pictures, video and sound recordings.  
195 "Machinery" means the basic machine itself, including all of its  
196 component parts and contrivances such as belts, pulleys, shafts,  
197 moving parts, operating structures and all equipment or devices used  
198 or required to control, regulate or operate the machinery, including,  
199 without limitation, computers and data processing equipment,  
200 together with all replacement and repair parts therefor, whether  
201 purchased separately or in conjunction with a complete machine, and  
202 regardless of whether the machine or component parts thereof are  
203 assembled by the taxpayer or another party. "Equipment" means any  
204 device separate from machinery but essential to a manufacturing ,  
205 processing or fabricating process. (ii) "Manufacturing facility" means  
206 that portion of a plant, building or other real property improvement  
207 used for manufacturing, processing or fabricating, for research and  
208 development, including experimental or laboratory research and  
209 development, design or engineering directly related to manufacturing,  
210 for the significant servicing, overhauling or rebuilding of machinery  
211 and equipment for industrial use or the significant overhauling or  
212 rebuilding of other products on a factory basis, for measuring or  
213 testing or for metal finishing. (iii) "Manufacturing" means the activity  
214 of converting or conditioning tangible personal property by changing  
215 the form, composition, quality or character of the property for ultimate

216 sale at retail or use in the manufacturing of a product to be ultimately  
217 sold at retail. Changing the quality of property shall include any  
218 substantial overhaul of the property that results in a significantly  
219 greater service life than such property would have had in the absence  
220 of such overhaul or with significantly greater functionality within the  
221 original service life of the property, beyond merely restoring the  
222 original functionality for the balance of the original service life. (iv)  
223 "Fabricating" means to make, build, create, produce or assemble  
224 components or tangible personal property work in a new or different  
225 manner, but does not include the presorting, sorting, coding, folding,  
226 stuffing or delivery of direct or indirect mail distribution services. (v)  
227 "Processing" means the physical application of the materials and labor  
228 in a manufacturing process necessary to modify or change the  
229 characteristics of tangible personal property. (vi) "Measuring or  
230 testing" includes both nondestructive and destructive measuring or  
231 testing, and the alignment and calibration of machinery, equipment  
232 and tools, in the furtherance of the manufacturing, processing or  
233 fabricating of tangible personal property. (vii) "Biotechnology" means  
234 the application of technologies, including recombinant DNA  
235 techniques, biochemistry, molecular and cellular biology, genetics and  
236 genetic engineering, biological cell fusion techniques, and new  
237 bioprocesses, using living organisms, or parts of organisms, to produce  
238 or modify products, to improve plants or animals, to develop  
239 microorganisms for specific uses, to identify targets for small molecule  
240 pharmaceutical development, or to transform biological systems into  
241 useful processes and products. [or to develop microorganisms for  
242 specific uses;]"

243 In line 2360, insert brackets around "and"

244 In line 2365, strike the period and insert "; and (7) nothing in this act  
245 shall be construed as requiring a participating insurer or health care  
246 center to issue individual policies to individuals eligible for a health  
247 coverage tax credit."

248 In line 3228, after "12-218," insert "12-218b,"

- 249 In line 4126, strike "an overhead" and substitute "a" in lieu thereof
- 250 In line 4135, strike "overhead"
- 251 In line 7680, strike "Six hundred twenty-five thousand" and insert  
252 "Sixty-two thousand five hundred" in lieu thereof
- 253 In line 7681, strike "six hundred twenty-five thousand" and insert  
254 "sixty-two thousand five hundred" in lieu thereof
- 255 After the last section, add the following and renumber sections and  
256 internal references accordingly:
- 257 "Sec. 501. Subdivision (2) of subsection (e) of section 10-76d of the  
258 general statutes is repealed and the following is substituted in lieu  
259 thereof (*Effective from passage*):
- 260 (2) Notwithstanding any other provisions of the general statutes, for  
261 the fiscal year ending June 30, 1987, and each fiscal year thereafter,  
262 whenever a public agency, other than a local or regional board of  
263 education, the State Board of Education or the Superior Court acting  
264 pursuant to section 10-76h, places a child in a foster home, group  
265 home, hospital, state institution, receiving home, custodial institution  
266 or any other residential or day treatment facility, and such child  
267 requires special education, the local or regional board of education  
268 under whose jurisdiction the child would otherwise be attending  
269 school or, if no such board can be identified, the local or regional board  
270 of education of the town where the child is placed, shall provide the  
271 requisite special education and related services to such child in  
272 accordance with the provisions of this section. Within one business day  
273 of such a placement by the Department of Children and Families, said  
274 department shall orally notify the local or regional board of education  
275 responsible for providing special education and related services to  
276 such child of such placement. The department shall provide written  
277 notification to such board of such placement within two business days  
278 of the placement. Such local or regional board of education shall  
279 convene a planning and placement team meeting for such child within

280 thirty days of the placement and shall invite a representative of the  
281 Department of Children and Families to participate in such meeting.  
282 (A) The local or regional board of education under whose jurisdiction  
283 such child would otherwise be attending school shall be financially  
284 responsible for the reasonable costs of such special education and  
285 related services in an amount equal to the lesser of one hundred per  
286 cent of the costs of such education or the average per pupil educational  
287 costs of such board of education for the prior fiscal year, determined in  
288 accordance with the provisions of subsection (a) of section 10-76f. The  
289 State Board of Education shall pay on a current basis, except as  
290 provided in subdivision (3) of this subsection, any costs in excess of  
291 such local or regional board's basic contributions paid by such board of  
292 education in accordance with the provisions of this subdivision. (B)  
293 Whenever a child is placed pursuant to this subdivision, on or after  
294 July 1, 1995, by the Department of Children and Families and the local  
295 or regional board of education under whose jurisdiction such child  
296 would otherwise be attending school cannot be identified, the local or  
297 regional board of education under whose jurisdiction the child  
298 attended school or in whose district the child resided at the time of  
299 removal from the home by said department shall be responsible for the  
300 reasonable costs of special education and related services provided to  
301 such child, for one calendar year or until the child is committed to the  
302 state pursuant to section 46b-129 or 46b-140 or is returned to [his] the  
303 child's parent or guardian, whichever is earlier. If the child remains in  
304 such placement beyond one calendar year the Department of Children  
305 and Families shall be responsible for such costs. During the period the  
306 local or regional board of education is responsible for the reasonable  
307 cost of special education and related services pursuant to this  
308 subparagraph, the board shall be responsible for such costs in an  
309 amount equal to the lesser of one hundred per cent of the costs of such  
310 education and related services or the average per pupil educational  
311 costs of such board of education for the prior fiscal year, determined in  
312 accordance with the provisions of subsection (a) of section 10-76f. The  
313 State Board of Education shall pay on a current basis, except as  
314 provided in subdivision (3) of this subsection, any costs in excess of

315 such local or regional board's basic contributions paid by such board of  
316 education in accordance with the provisions of this subdivision. The  
317 costs for services other than educational shall be paid by the state  
318 agency which placed the child. The provisions of this subdivision shall  
319 not apply to the school districts established within the Department of  
320 Children and Families, pursuant to section 17a-37, the Department of  
321 Correction, pursuant to section 18-99a, or the Department of Mental  
322 Retardation, pursuant to section 17a-240, provided in any case in  
323 which special education is being provided at a private residential  
324 institution, including the residential components of regional  
325 educational service centers, to a child for whom no local or regional  
326 board of education can be found responsible under subsection (b) of  
327 this section, Unified School District #2 shall provide the special  
328 education and related services and be financially responsible for the  
329 reasonable costs of such special education instruction for such  
330 children. Notwithstanding the provisions of this subdivision, for the  
331 fiscal years ending June 30, 2004, and June 30, 2005, the amount of the  
332 grants payable to local or regional boards of education in accordance  
333 with this subdivision shall be reduced proportionately if the total of  
334 such grants in such year exceeds the amount appropriated for the  
335 purposes of this subdivision for such year.

336 Sec. 502. Subdivision (3) of subsection (e) of section 10-76d of the  
337 general statutes is repealed and the following is substituted in lieu  
338 thereof (*Effective from passage*):

339 (3) Payment for children who require special education and who  
340 reside on state-owned or leased property or in permanent family  
341 residences as defined in section 17a-154, and who are not the  
342 educational responsibility of the unified school districts established  
343 pursuant to section 17a-37, section 17a-240 or section 18-99a, shall be  
344 made in the following manner: The State Board of Education shall pay  
345 to the school district which is responsible for providing instruction for  
346 each such child pursuant to the provisions of this subsection one  
347 hundred per cent of the reasonable costs of such instruction. In the  
348 fiscal year following such payment, the State Board of Education shall

349 deduct from the special education grant due the local or regional board  
350 of education under whose jurisdiction the child would otherwise be  
351 attending school, where such board has been identified, the amount  
352 for which such board would otherwise have been financially  
353 responsible pursuant to the provisions of subdivision (2) of this  
354 subsection. No such deduction shall be made for any school district  
355 which is responsible for providing special education instruction for  
356 children whose parents or legal guardians do not reside within such  
357 district. The amount deducted shall be included as a net cost of special  
358 education by the Department of Education for purposes of the state's  
359 special education grant calculated pursuant to section 10-76g. A school  
360 district otherwise eligible for reimbursement under the provisions of  
361 this subdivision for the costs of education of a child residing in a  
362 permanent family residence shall continue to be so eligible in the event  
363 that a person providing foster care in such residence adopts the child.  
364 Notwithstanding the provisions of this subdivision, for the fiscal years  
365 ending June 30, 2004, and June 30, 2005, the amount of the grants  
366 payable to local or regional boards of education in accordance with  
367 this subdivision shall be reduced proportionately if the total of such  
368 grants in such year exceeds the amount appropriated for the purposes  
369 of this subdivision for such year.

370 Sec. 503. Subsection (b) of section 10-253 of the general statutes is  
371 repealed and the following is substituted in lieu thereof (*Effective from*  
372 *passage*):

373 (b) The board of education of the school district under whose  
374 jurisdiction a child would otherwise be attending school shall be  
375 financially responsible for the reasonable costs of education for a child  
376 placed out by the Commissioner of Children and Families or by other  
377 agencies in a private residential facility when such child requires  
378 educational services other than special education services. Such  
379 financial responsibility shall be the lesser of one hundred per cent of  
380 the costs of such education or the average per pupil educational costs  
381 of such board of education for the prior fiscal year, determined in  
382 accordance with subsection (a) of section 10-76f. Any costs in excess of

383 the boards' basic contribution shall be paid by the State Board of  
384 Education on a current basis. The costs for services other than  
385 educational shall be paid by the state agency which placed the child.  
386 Application for the grant to be paid by the state for costs in excess of  
387 the local or regional board of education's basic contribution shall be  
388 made in accordance with the provisions of subdivision (5) of  
389 subsection (e) of section 10-76d. Notwithstanding the provisions of this  
390 subsection, for the fiscal years ending June 30, 2004, and June 30, 2005,  
391 the amount of the grants payable to local or regional boards of  
392 education in accordance with this subsection shall be reduced  
393 proportionately if the total of such grants in such year exceeds the  
394 amount appropriated for the purposes of this subsection for such year.

395 Sec. 504. (*Effective from passage*) Notwithstanding section 6 of special  
396 act 97-4, as amended by section 4 of special act 01-7, and section 10-  
397 262i of the general statutes, one million dollars of the amount  
398 appropriated to Hartford for the fiscal year ending June 30, 2004, for  
399 equalization aid grant pursuant to section 10-262h of the general  
400 statutes shall be paid by Hartford to the Teachers' Retirement System."